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## International Environmental Intelligence Brief

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## Climate Change: G-8 at Sixes and Sevens

The climate change debate continues to be as contentious now as it was last year when the emissions targets were at issue.

G-8 members remain sharply at odds over elaborating flexibility mechanisms--such as international emissions trading, joint implementation, and the Clean Development Mechanism--for meeting the targets.

France, for example, insists that flexibility mechanisms be limited in scope, with a cap on emissions trading to keep the focus on domestic emissions reductions.

Paris has suggested that the Russian target of zero emissions reductions be renegotiated to prevent Moscow from having a large volume of emissions credits to sell.

- Russian officials refuse to change their position, proposing the EU member states participate in international emissions trading so that they will have a stake in the system.

Germany shares French concerns about flexibility mechanisms but is listening to the warning from Bavarian industries that Germany may need the mechanisms in future years as emissions recover from the slump in eastern German industrial activity.

- The governing coalition, however, is striving to keep a green image on climate change before the election in September and is adhering to the EU's 8-percent target and a national target consisting of a 25-percent reduction by 2005.

Japan opposes limits on flexibility mechanisms because it will be hard pressed to meet its 6-percent Kyoto target without them. The Trade Ministry has negotiated an agreement with Russia for Japanese firms to plug methane leaks in the Russian natural gas transmission system and to improve the energy efficiency of Russian electric utilities to win credit toward Japan's emission target.

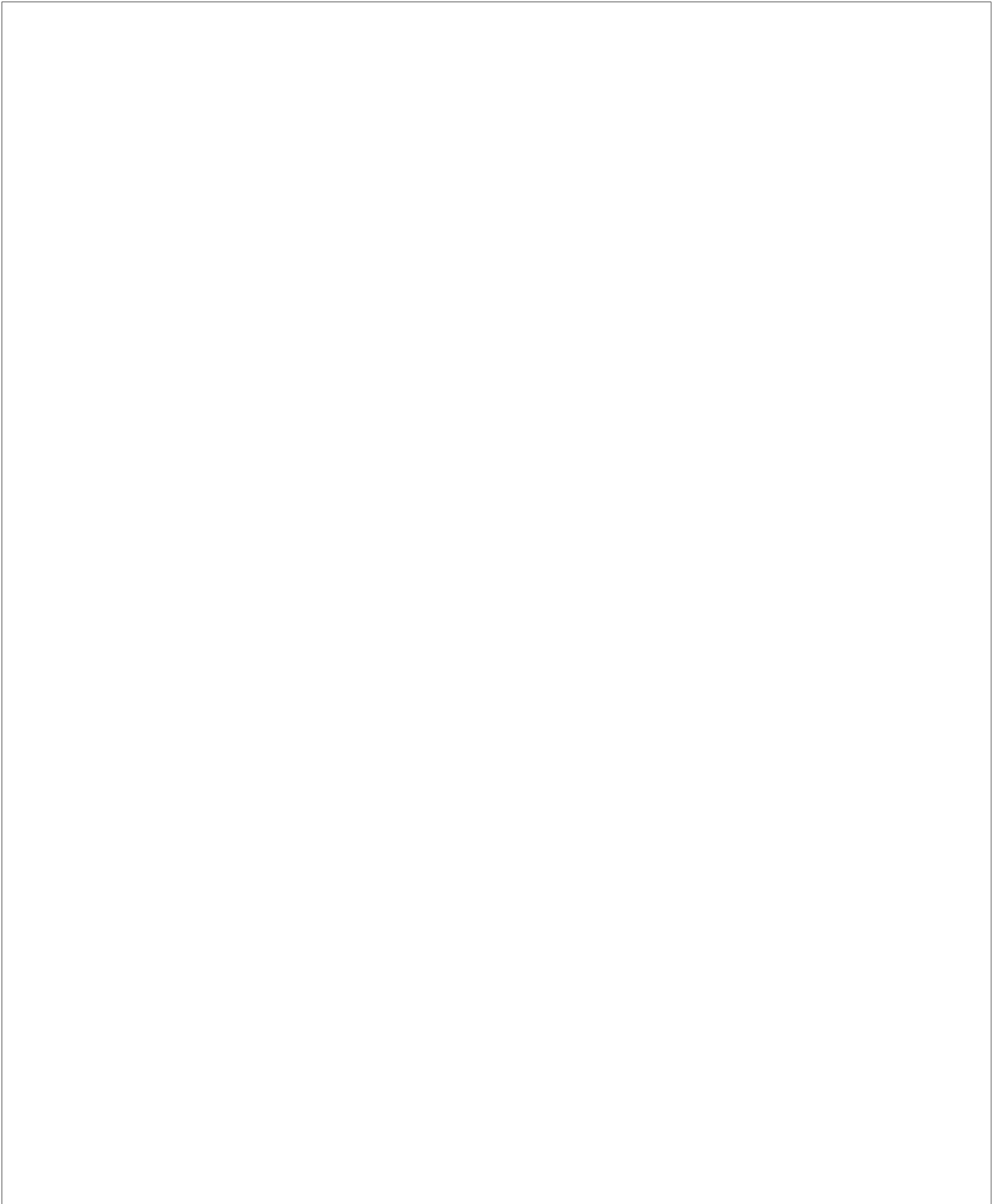
The UK last month signed the Kyoto Protocol in New York, on its own behalf and for the EU.

the UK, like France, wants limits on flexibility and has joined the criticism of the Russian target.

- The Labor government has lost credibility, however, with its decision to keep British coal mines open, casting doubt on its own emissions reduction program, according to press reports.

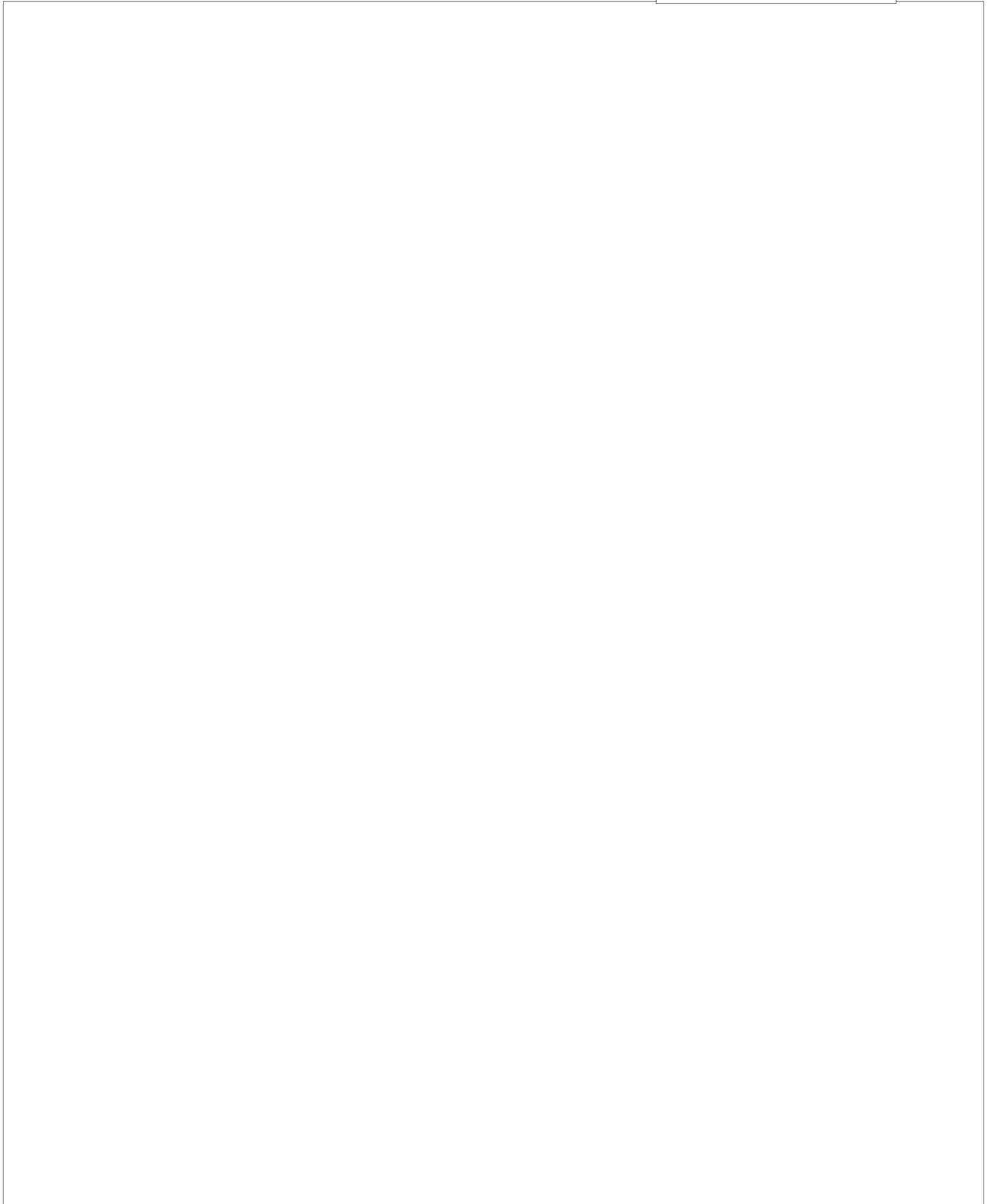
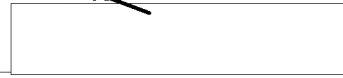
Canada and Italy have not taken leading roles on the issue. Canada is handicapped by the lack of support from its oil producing provinces of Alberta and Saskatchewan, Italy for now is deferring to the British Presidency of the EU.

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## Forest Fires Add to Developing Country Woes

A rash of forest fires around the globe associated with the El Nino-induced droughts that began in the summer of 1997 continue to cause widespread economic damage and to demand attention and resources from US policy and relief agencies. In the near term, food shortages, health problems, and fire-related smog in Southeast Asia and Latin America will test the capacity of governments to cope; the

long-range weather forecasts predict the effects of the El Nino current on Indonesia could last through August.

Indonesia has been particularly hard hit by new fires in East Kalimantan that have destroyed some 1,100 square miles since the beginning of the year.

At the current pace, Indonesia could face a repeat of last year's devastating fires that affected 2,200 to 3,100 square miles,

- Indonesian officials as of late April estimated losses from this year's fires at more than \$635 million, but associated health problems, lost tourism, and destruction of homes, farms, and wildlife are likely to drive this figure higher.

Malaysian officials in April called for figure aid to help fight fires that have blackened nearly 100 square miles. Rubber growers say the fires are threatening production and may result in increased world rubber prices

In the Philippines, fires--some associated with slash-and-burn farming--concentrated on the island of Palawan, have since been contained by seasonal rains. More than 150 square miles of virgin forests were affected and Manila estimates the damage at about \$13 million

In the Western Hemisphere, fires in Brazil's northernmost state of Roraima destroyed nearly 6,000 square miles--a Lebanon-sized area--between January and mid-April when rains extinguished most of the blazes, according to the Brazilian Government. Food shortages in the region--one of Brazil's poorest--have sparked unrest and the migration of those who lost their crops.

- Brasilia was slow to respond to state officials' pleas for help, sending only a handful of firefighters in March and releasing \$2 million in aid--one-tenth that requested.
- Brazil accepted aid, however, from Argentina, Venezuela, and the UN--which sent a group of "Green Helmets" to help firefighters.

Although most of the Brazilian fires are now under control, future fires are likely and will be equally difficult to quell. President Cardoso's land reform policies draw poor settlers to the region; their slash-and-burn agriculture annually destroys some 2,000 square miles of rainforest.

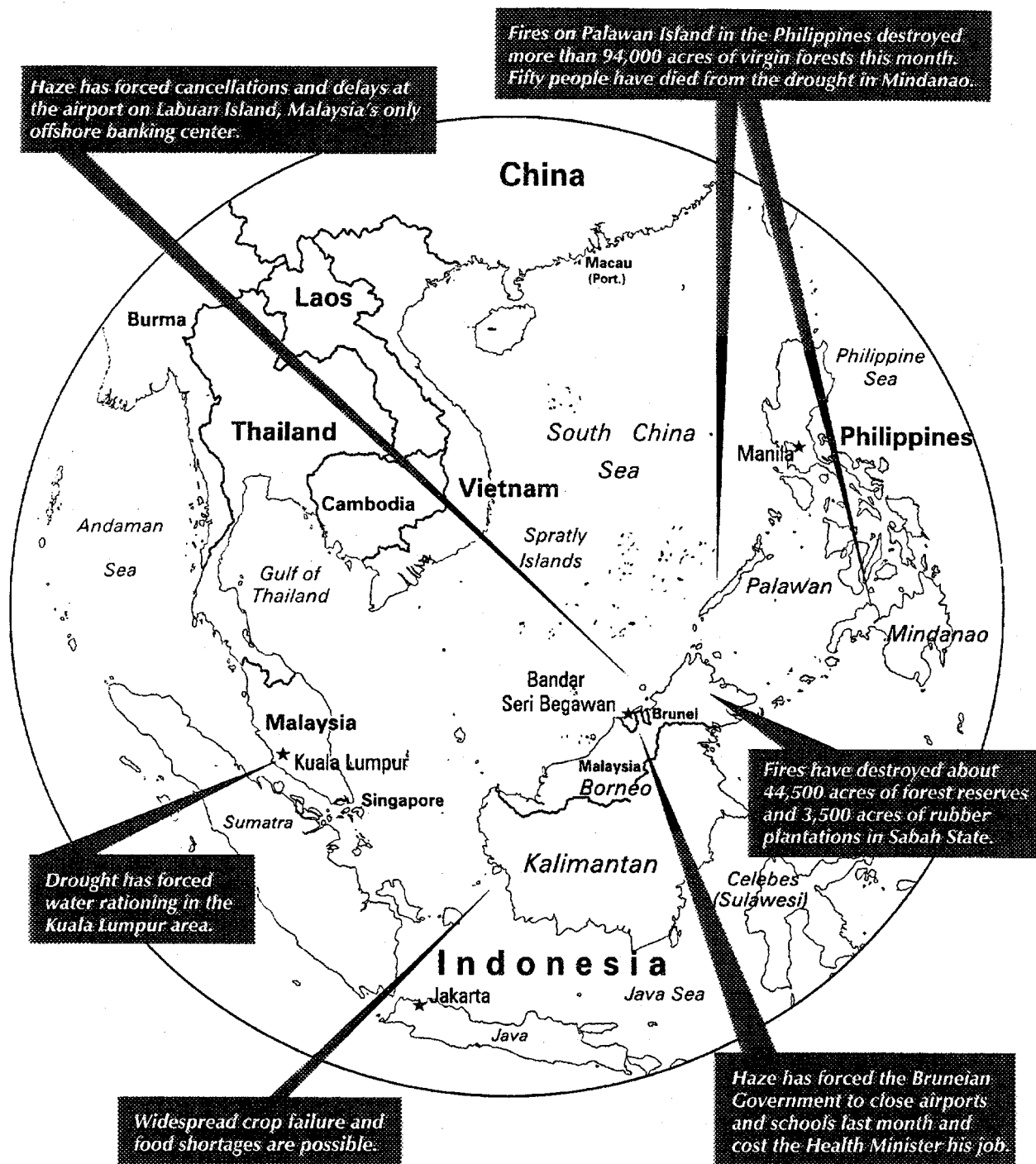
- In addition, greatly expanded logging is robbing the forest of moisture and increasing the fire risk

Fires in southern Venezuela and in central and southern Mexico are also having devastating effects--some of which have reached the US in the form of a choking haze. So far this year Mexico has suffered 10,600 forest fires that have consumed more than 1,000 square miles, according to the Environment Ministry; more than half of the Chipinque ecological park outside Monterrey--less than 150 miles from the US border--was consumed by fires.

- Fires have also blackened more than 2,000 square miles in Guatemala, Honduras, and Nicaragua, according to press reports.

## Widespread Regional Impact of Drought and Fires, 1998

Boundary representation is  
not necessarily authoritative.



## Latin America Struggling With Deforestation

Brazil has lost some 235,000 square miles of forest cover--an area larger than France--since the 1960s while Mexico has lost nearly 60,000 square miles in the past 20 years. Since the 1950s, development and logging have reduced forest cover by 30 percent in Panama, by 40 percent in Nicaragua, and by 80 percent in El Salvador, according to environmental scientists.

### Poverty and Development Fuel Pressures

Daunting levels of rural poverty account for much of the loss of forest coverage. In Mexico, firewood collection by the rural poor accounts for 75 percent of forest reduction.

- In Brazil, land reform efforts intended to reduce rural poverty have led farmers to clear lands using slash-and-burn practices.

Economic development and integration also are driving deforestation. Brazilian efforts to expand transportation links with Bolivia, Suriname, and Venezuela have resulted in land clearing and the loss of tropical hardwoods. Central American governments generally ignore illegal logging along their borders because of the need for export earnings.

- Politically influential commercial interests have blocked proposals to curb logging in Ecuador, arguing that the measures would cost jobs.

### Governments Slow To Respond

Governments belatedly have begun to take steps to slow deforestation. Mexico is in the midst of a program to plant 1.7 billion trees over the next 10 years. Brazil has set stiff fines for illegal logging, has reserved 10 percent of its forests as conservation units, and has created a national task force to combat fires in the Amazon.

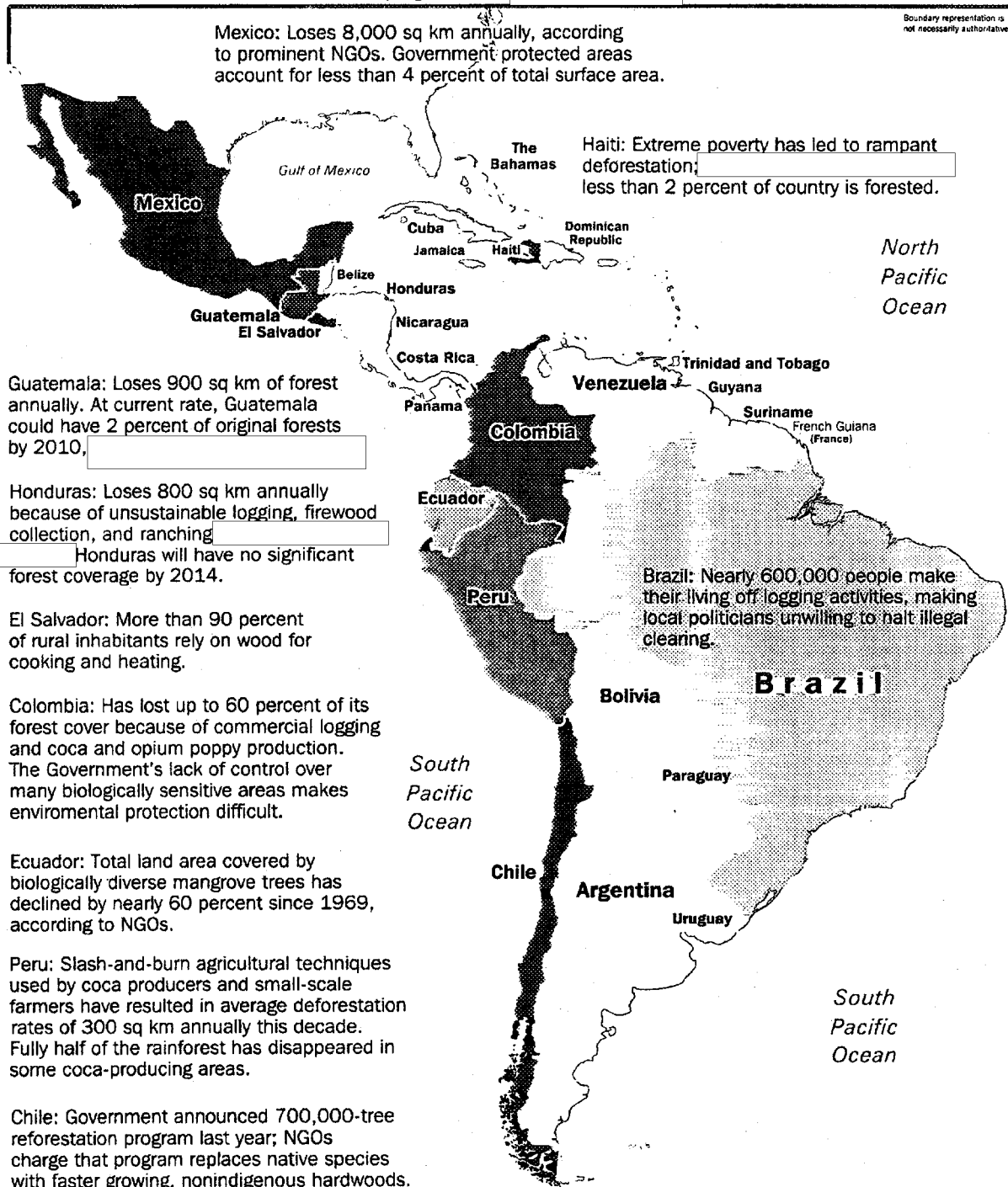
- Costa Rica is working with NGOs to improve management of protected forests, and Nicaragua recently banned exports of mahogany products.

*Most governments are unable to implement effective land management programs without assistance from abroad.*

Latin America's inability so far to stem deforestation will prompt Brazil and the Andean states to continue resisting the EU's calls for and international forest convention unless it includes monitoring temperate as well as tropical forests.

- The loss of carbon-absorbing forests is likely to make some governments hesitant to accept emissions targets in climate change talks, calculating they would lead to pressure to halt lucrative development in forested areas.
- Foreign criticism is likely to make several countries more defensive in the UN Commission on Sustainable Development, where they will resist calls for sounder management of natural resources.

## The Deforestation of Latin America, April 1998





## China Awakening to Merits of Environmental Protection

China's leaders over the past year have become increasingly vocal about the need for environmental protection as a corollary to economic growth, according to various official press reports. Their concern may result from growing public dissatisfaction with mounting health problems and deteriorating air and water quality.

- The leadership has placed increasing emphasis on water conservation, reforestation, and sulfur dioxide abatement in response to drought, river siltation, and acid rain, according to official press reports.

The acceleration last year of state-owned enterprise reforms beginning to have a positive impact on the environment. The reduction of subsidies for some of these enterprises has resulted in the closing of many old, inefficient, and polluting factories.

- Energy conservation laws passed last year and planned increase in prices for water and energy associated with the desire for conservation and economic efficiency should lead to further waste reductions.

Under pressure from Beijing, local governments last year began to comply with a law requiring regular reports on environmental conditions. An air-quality monitoring service expects to go into operation this summer.

- Beijing has encouraged individuals to speak out against polluters and to press local governments to comply with environmental laws, and has allowed the formation of NGOs to mobilize public opinion.

China has some of the toughest environmental protection laws in the world but has a dismal record of enforcement, in large part because the State Environmental Protection Agency until recently has been weak. SEPA in March was upgraded from a sub-ministerial department to a ministerial-level body answerable to the State Council, which raises its profile and provides it with greater authority to negotiate with other agencies and foreign governments.

- SEPA's new status, however, has not come with a larger budget or the authority to force local agencies, which answer to local governments, to comply with national laws.
- Moreover, SEPA is hamstrung by a lack of information on local conditions and resistance from ministries and state-owned enterprises comfortable with the status quo.

## Economic Growth Still a Priority

The leadership is hesitant to enact environmentally friendly policies carrying a large economic cost, and environmental goals are tied to progress on economic plans, developing-country position on climate change, are pushing ahead with the Three Gorges Dam, and are unwilling to make a significant investment in clean coal technology and natural gas.

- Beijing's environmental goals, therefore, are longer term--to halt degradation by 2010, reverse it in 2020, and achieve sustainable development by 2030.

## Toxic Spill Imperils Spanish Nature Preserve and Costs Jobs

Despite government efforts to divert a toxic waste spill away from the Coto de Donana in southern Spain, the park, surrounding croplands, and local fisheries remain at risk of long-term ecological damage. A rupture in late April in the tailings reservoir at the Aznalcollar mine 60 km north of the park unleashed 5 million cubic meters of heavy metal tailings into the Guadamar River.

— [redacted] more than 25 miles of the Guadamar and 25,000 acres of surrounding farmland have been contaminated by toxic zinc, mercury, cadmium, lead, copper, and silver residues [redacted]

- Volunteers have hauled away thousands of dead fish and wildlife to reduce the number of deaths among the feeding waterfowl, and local authorities have warned citizens not to use the water for themselves or livestock. [redacted]

The government vowed to take legal action against the mine's owner, the Canadian-Swedish firm Boliden, and is assessing the extent of damage to determine the company's potential financial liability. [redacted]

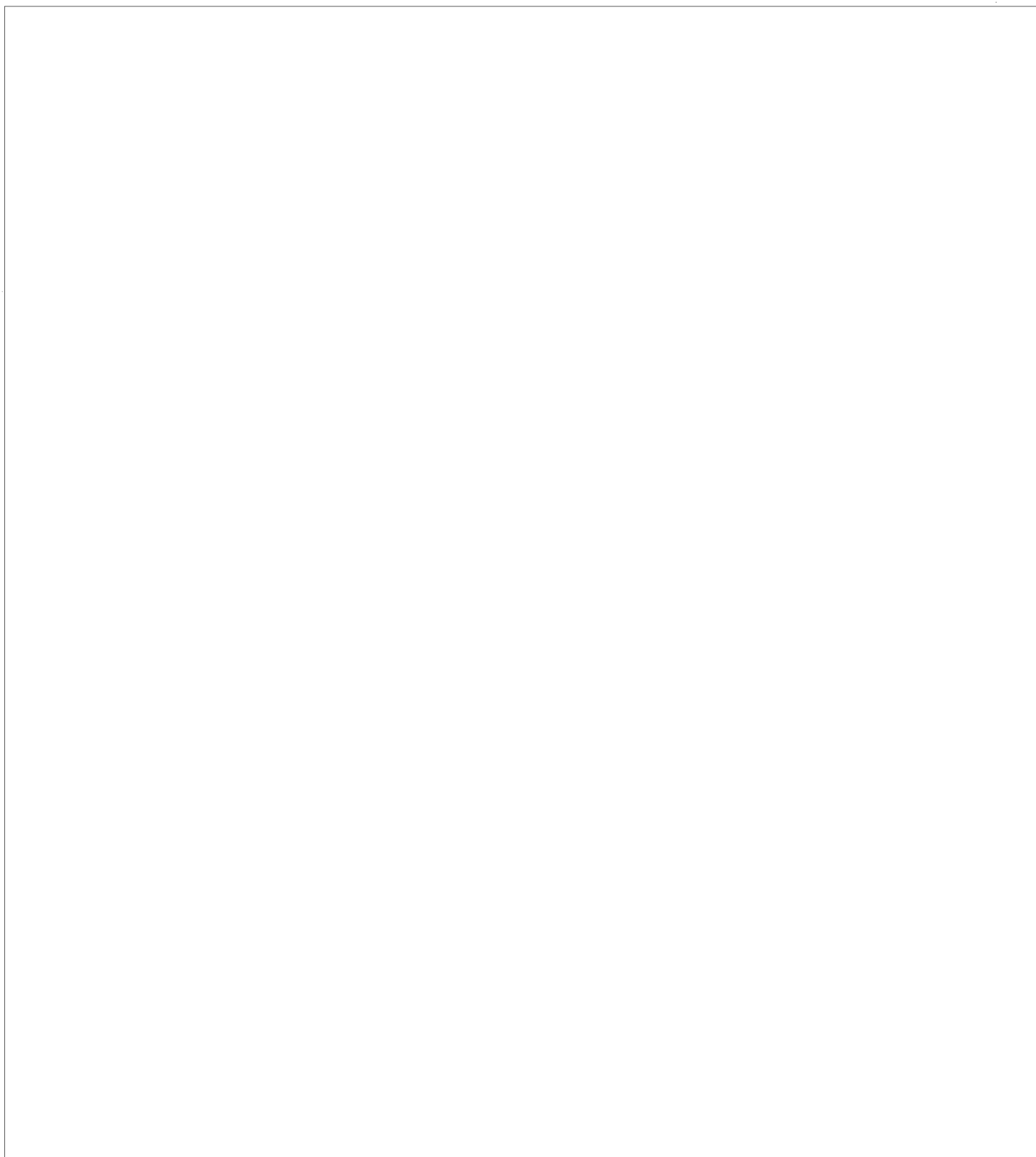
Boliden officials shut down the mine and vowed to compensate affected farmers, according to press reports. Environmentalists called on Environment Minister Tocino to resign and want the government to declare a state of emergency. [redacted]

*The Guadamar is the principal source of fresh water for the 185,000-acre park that is Europe's largest wetland--designated in 1980 as a UN World Heritage site--and home to more than 350 native bird species and 6 million migrating birds. The park also is a refuge for the endangered Iberian lynx and the imperial eagle. Environmentalists say heavy metal toxins could remain in the marsh for up to 50 years.* [redacted]

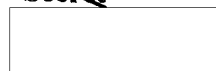
### Mounting Economic Costs

Early estimates by local observers place cleanup costs--including removing tons of contaminated mud--at \$120 million. A similar accident at a copper mine in the Philippines in 1996 forced the mine's Canadian owners to spend \$75 million in compensation. An association of Spanish farmers said its members will suffer up to \$80 million in lost rice, cotton, and vegetable crops and claimed that 13,000 acres of poisoned cropland must remain barren for 25 years.

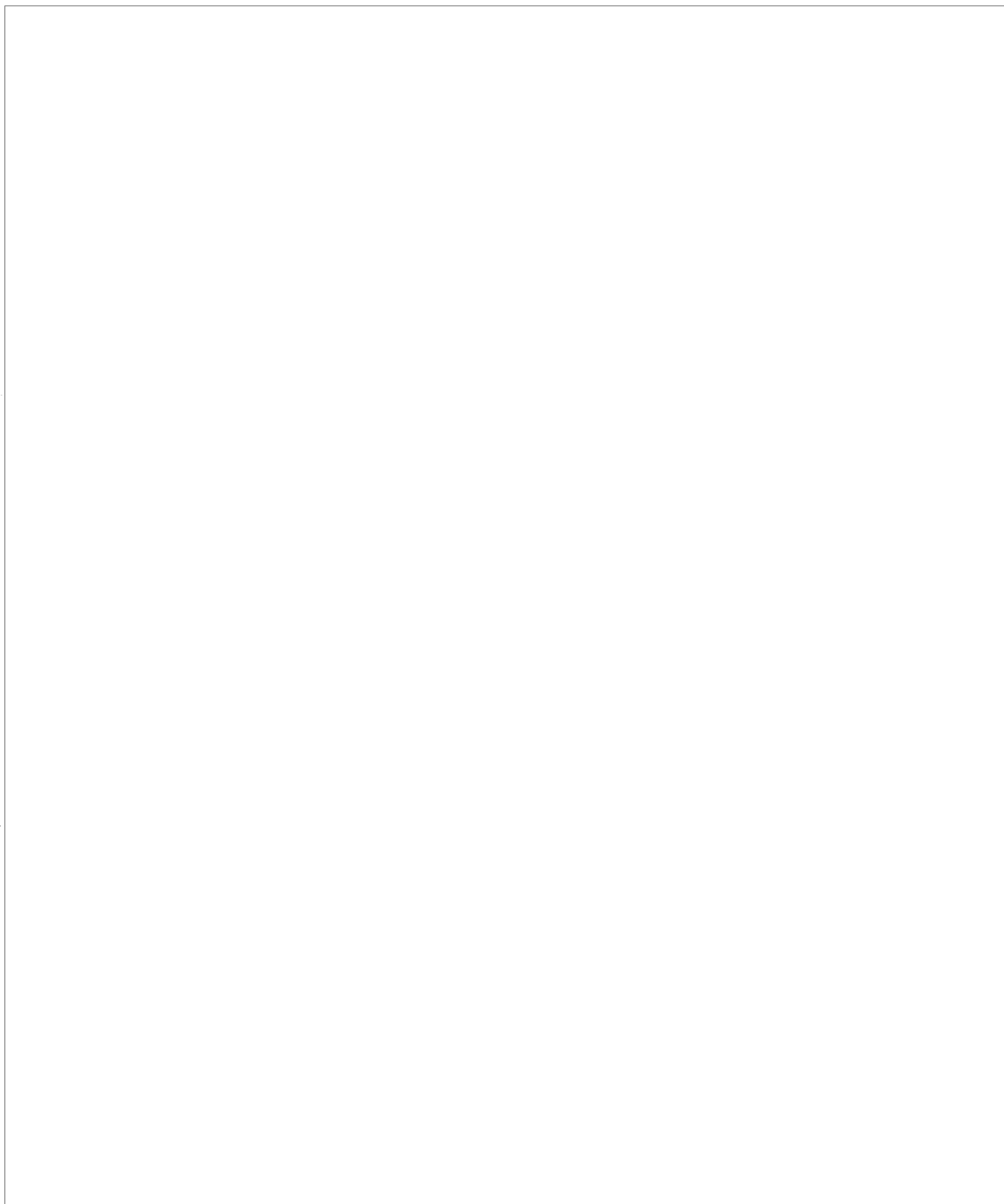
- Lucrative fisheries in the Bay of Cadiz and the local tourist industry also could be hard hit.
- The mine will remain closed until September or October according to Boliden officials, leaving 500 workers unemployed and halting ore production that annually averages 4 million tons. [redacted]



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## Montserrat: A Dying British Dependency

Volcanic activity has destroyed Montserrat's ability to sustain itself, [redacted]

[redacted] The volcanic ashfalls and pyroclastic flows that occurred from July 1995 to last December--producing avalanches of superheated gases and debris--have devastated most of the island's housing, businesses, infrastructure, and tourist facilities.

- Moreover, scientists say Soufriere Hills Volcano may be active for several years, postponing the inhabitation of the southern two-thirds of the island [redacted]

Only about 3,200 of the island's original residents remain, most having migrated to havens in the Caribbean, Antigua, the main refuge of migrants from Montserrat, is suffering housing shortages and high unemployment rates, according to press reports, and the Antiguan Red Cross is hard pressed to distribute food to 1,400 migrants. [redacted]

Local leaders are seeking to revive Montserrat--the relocation of the capital is a necessary first step--but providing housing and employment would be difficult because the northern one-third of the island unaffected by the volcano is undeveloped and has little tourist potential. As long as seismologists can assure British officials that people are safe in the north, London will defer forcible removal.

- The UK has committed or spent \$92 million dollars to sustain its dependency over the past three years.
- Even with the offer of voluntary departure subsidiaries emigration is unattractive to long-term residents, who are likely to remain dependent on British assistance. [redacted]

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Selected International Environment-Related Meetings		
<i>Date</i>	<i>Forum</i>	<i>Venue</i>
18-22 May	Eighth Meeting of Parties to the UN Convention on the Law of the Sea	New York
22 May-30 September	World Exposition (EXPO 1998) Theme: The Oceans, a Heritage for the Future	Lisbon
3-6 June	UNESCO Conference on World Water Resources for the Twenty-First Century	Paris
2-12 June	Subsidiary Bodies of the Climate Change Convention	Bonn
16-17 June	EU Environment Ministers Meeting	Luxembourg
23-25 June	Fourth Environment for Europe Ministerial	Aarhus
28 June-3 July	First Global Negotiating Session on Persistent Organic Pollutants	Geneva
July	Independent World Commission on Oceans	Lisbon
August	Ad Hoc Meeting on Biosafety Protocol	TBD
1-3 September	APEC Senior Officials Meeting on Environment	Singapore
November	Tenth Conference of Parties to the Montreal Protocol	Cairo
2-13 November	Fourth Conference of Parties to the Climate Change Convention	Buenos Aires
29 November-12 December	Second Conference of Parties to the Convention to Combat Desertification	Dakar

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